

# HOUSING MARKET AND NEEDS STUDY

Nelson County, VA - November 2020



**For Nelson County Community Development Foundation  
and Renaissance Ridge LLC, by Net Zero Development  
Solutions, LLC and Klick Consulting, LLC**

# TABLE OF CONTENTS

**INTRODUCTION.....2**

**EMPLOYMENT, POPULATION AND HOUSEHOLD DATA.....3**

**WORKFORCE HOUSING SURVEY AND FOCUS GROUPS.....5**

**LOCAL HOUSING NEEDS AND CONDITIONS.....7**





# INTRODUCTION

Nelson County is located in central Virginia, midway between the metropolitan areas of Charlottesville and Lynchburg. Bordered on the south and east by the James River and on the north and west by the Blue Ridge Mountains, Nelson County boasts farms and orchards, outdoor recreation, mountain views, historic sites, artisan traditions, and award-winning wineries and breweries. The history of Nelson County includes a devastating Hurricane Camille in 1969 and the economic recovery that followed, aided in part by the development of Wintergreen Resort, the resurgence of the apple industry, the maturation of new vineyards, and the steady growth in Nelson County's tourism industry.<sup>1</sup> **Nelson County's current economy builds on its history and resources, fueled by agriculture, industry, service, recreation, and tourism; however, continued growth depends on strengthening and supporting its workforce, including increasing housing options.**

This Housing Market and Needs Study will:

- *Describe Nelson County's employment, population and household characteristics;*
- *Summarize results from the recent Nelson County Workforce Housing Survey and subsequent focus groups; and*
- *Further detail local housing needs and demand from the Comprehensive Regional Housing Study and Needs Assessment, Housing Virginia's data and rural housing report, and most recent real estate sale data.*



---

<sup>1</sup> Nelson County <https://www.nelsoncounty-va.gov/>

# EMPLOYMENT, POPULATION AND HOUSEHOLD DATA

## EMPLOYMENT

Employment in Nelson County has increased with its economic growth. According to the Bureau of Labor Statistics, in 2019 the Nelson County labor force was 7,508 people with 7,300 people employed, an increase from 7,266 and 6,970 in 2015.<sup>2</sup> The mean travel time to work for Nelson County residents is 30.4 minutes. Businesses in Nelson County employed approximately 3,326 people in 2018, with 367 employer establishments and 1,286 non-employer establishments.<sup>3</sup> **Significant economic development and labor market growth has occurred along the Rockfish Valley / Route 151 corridor in and around Nellysford.** In fact, Nelson 151 is a “micro” appellation for member businesses of breweries, wineries, cideries, and distilleries that in a short time has grown from 11 founding businesses to 14 businesses employing 425 people.<sup>4</sup>



<sup>2</sup> Bureau of Labor Statistics, Labor Force Data by County <https://www.bls.gov/lau/#cntyaa> and <https://www.bls.gov/lau/laucnty19.txt>

<sup>3</sup> U.S. Census Bureau, Quick Facts <https://www.census.gov/quickfacts/nelsoncountyvirginia>

<sup>4</sup> Nelson 151 <https://www.nelson151.com/about/>

## POPULATION AND HOUSEHOLD

The population of Nelson County has been fairly **steady over the past ten years**. As of the 2010 Census, the population of Nelson County was 15,020, and its estimated **2019 population is 14,930**.<sup>5</sup> Of its approximately 14,930 residents, 8,064 are between the ages of 18 and 64, representing 54% of the population. The median age of residents is 50.8 years (52.1 for women and 49.6 for men). Based on 2019 estimates, Nelson County's population is 85% white, 11.4% African American, 0.8% Asian, 0.6% American Indian and Alaska Native, 2.3% more than two races, and 4.3% Hispanic.<sup>6</sup>

There are approximately 6,445 households in Nelson County, with 2.28 people per household. Nelson County's **median household income in 2018 was \$62,446** and the per capita income was \$36,002. As of 2019, there were approximately 10,240 housing units in Nelson County, of which 74.3% are owner-occupied. Census data on housing costs (2014-2018) include: the median value of owner-occupied housing units was \$243,800; **median monthly cost for those with a mortgage was \$1,458**; and median gross rent was \$698. In 2019, the County issued 46 building permits. While 85% of homes have computers, only 65% report broadband internet subscription.



---

<sup>5</sup> University of Virginia Weldon Cooper Center's Virginia Population Estimates <https://demographics.coopercenter.org/virginia-population-estimates>

<sup>6</sup> U.S. Census Bureau, Quick Facts <https://www.census.gov/quickfacts/nelsoncountyvirginia>

# WORKFORCE HOUSING SURVEY AND FOCUS GROUPS

## WORKFORCE HOUSING SURVEY

In July and August of 2020, the Nelson County Community Development Foundation, with support from Nelson County Office of Economic Development & Tourism and the Thomas Jefferson Planning District Commission, distributed the Nelson County Workforce Housing Survey, focusing on employers along the Rockfish Valley / Route 151 corridor area but open to all Nelson County employers and employees.

195 people responded to the survey with the following results:

⇒ **92% (179 people) agree or strongly agree that living close to their employment is important.**



⇒ **73% (142 people) agree that it is hard to find decent housing at attractive prices in Nelson County.**



⇒ **55% (107 people) are interested in buying a home; specifically, 39% are interested in buying a home within the next 5 years, and another 16% are interested but are undecided on timing.**





**QUOTES** from survey respondents about the importance of **living close to work** reflect a **strong desire from people who serve Nelson County to be a part of and live in the community**; other themes include the **expense of commuting**, need to be close to family versus lost time with family, and response time for work:

- ⇒ *“Because it ensures the money we spend would be in Nelson County not surrounding areas.”*
- ⇒ *“Except for my first year of teaching, I have always lived either in Lynchburg or Appomattox. (This is my 21st year.) Though I would love to live closer to work, the houses located in Nelson County that I would be interested in are priced out of my range.”*
- ⇒ *“If I could afford housing in Nelson, I would like to live and support the community that I have worked for over the past 14 years. In addition to my love of the people in the community, I also would have a strong desire to live and thrive in the luscious scenery that is Nelson.”*
- ⇒ *“One of the reasons that I would like to live closer to work is that I can better get to know the community in which I work. Also, I would have more energy to perform extra-curricular activities for the school.”*
- ⇒ *“Less commute time, actually being a part of the community I serve.”*
- ⇒ *“It would give me more time with my family and have an effect on my community.”*
- ⇒ *“We are low income and working close to home makes it more affordable without the extra gas needed and wear and tear on our cars.”*
- ⇒ *“Commute time is time away from family.”*
- ⇒ *“My kids are at the age where I don’t need a sitter but I’m all they have so it’s important I stay close to them.”*
- ⇒ *“I want to eventually have kids but I am putting it off until I find a home in or near Nelson County so I can be closer to work.”*
- ⇒ *“Better response time to the office if there was an emergency where I was needed.”*
- ⇒ *“Less stress, less pollution, less transportation cost, more time with my family than sitting in a car burning up fossil fuel.”*
- ⇒ *“I realized how much time and resources I have wasted on commuting. I am also concerned with the environmental impact of longer commutes.”*

## **FOCUS GROUPS**

Following the survey, in September and October of 2020, a series of virtual focus group conversations were held to further explore the housing needs and preferences of the community. While needs and preferences varied widely, **affordability was a major concern and most participants favored flexible space design, energy saving features, and the ability to customize.** See attached summary.

# LOCAL HOUSING NEEDS AND CONDITIONS

## REGIONAL HOUSING STUDY AND NEEDS ASSESSMENT

Current housing needs in Nelson County are documented in the [Comprehensive Regional Housing Study and Needs Assessment](#) for Virginia Planning District 10, commissioned by the Central Virginia Regional Housing Partnership (RHP) of the Thomas Jefferson Planning District Commission. The RHP serves as an official advisory board, created by the Thomas Jefferson Planning District Commission, in partnership with the public, private, nonprofit, and citizen stakeholders related to housing. The RHP aims to address the housing needs of the Thomas Jefferson Planning District's region, with a focus on housing production, diversity, accessibility, cost, location, design, and increasing stability for the region's residents. The Regional Housing Study and Needs Assessment [infographics by County](#) highlight the **stark need for more affordable home ownership opportunities in Nelson County:**

- **Homeownership Rate:** 73%; the lowest of TJPDC's rural counties.
- **Affordability Gap:** Out of the 10,000 Nelson County households in 2018:
  - 170 renter households pay more than 50% of their incomes towards housing costs (and 260 pay more than 30% of their incomes).
  - 480 owner households pay more than 50% of their incomes towards housing costs.
- **Inflow/Outflow of Jobs:**
  - An estimated 1,626 people are employed in Nelson County who live elsewhere and commute in.
  - 1,648 people are both employed and reside within Nelson County.
  - 4,712 people live in Nelson County but are employed and commute outside of the County.
- **Economic Impact of Unaffordability:**
  - Difficulty recruiting and retaining workers
  - Increased turnover and absenteeism
  - Long commutes that generate pollution
  - Difficulty recruiting new businesses



## NELSON COUNTY'S HOUSING COST BURDEN + SOLUTIONS

HousingForward Virginia tracks housing data and makes policy recommendations. According to their Sourcebook data on the severe housing cost burden facing local residents, **26% of Nelson County residents spend more than 30% of their income on housing overall, and 24% of Nelson County homeowners (1,109) spend more than 30% of their income on housing.**<sup>7</sup>

HousingForward Virginia's report on rural housing needs<sup>8</sup> *“Meeting Housing Needs in Rural Virginia: Trends, Gaps, Needs, Solutions”* recommends next steps and policy actions for rural homeownership, including:

- **Better targeting of new housing development to areas where new jobs are being created; and**
- **Support new home development that is high quality and modest in size/cost.**

## LOCAL REAL ESTATE SALES DATA

According to testimonials of seasoned local Realtors, local supply and demand data, and a comparative market analysis, the market is very strong for new moderately priced homes, with great demand in Nelson County and very limited inventory in Nellysford.

- *“We’re seeing 2 to 3 times the number of sales per month and saw a record 200+ purchase contracts in August alone this summer [2020]. Builders are selling spec townhouses before they’ve even broke ground!”*  
-Tim Hess, Broker, Wintergreen Real Estate, Realtor 40+ years
- *“The market here locally is one of the strongest I’ve ever witnessed – we’re seeing houses sell in just a few weeks or less than a few months.”*  
-Pam Lang-McKeithen, Top Producer, Mountain Area Realty, Realtor 40+ years
- *“The market is definitely hot at the moment. Anything new here in Nelson County is selling on average between \$200-\$300 per square foot depending on location.”*  
-Marlo Allen, Associate Broker, Mountain Area Realty, Salesperson of the Year 2013-2019

---

<sup>7</sup> HousingForward Virginia's Sourcebook Housing Quick Facts  
<https://www.housingvirginia.org/toolkits/sourcebook/housing-quick-facts/>

<sup>8</sup> HousingForward Virginia's "Meeting Housing Needs in Rural Virginia"  
<http://www.housingvirginia.org/wp-content/uploads/2016/11/HV-Rural-Report-4-Page.pdf>

Local housing supply and market demand data is captured in the **Charlottesville Area Association of Realtors (CAAR) Home Sales Reports**, which over the past year show that Nelson County and the entire region has been experiencing continued inventory decline, putting upward pressure on home prices and causing affordability challenges in the local market.<sup>9</sup> The regional economic and housing market condition highlights from CAAR's 3<sup>rd</sup> Quarter Report include:

- **Improved economic conditions**
- **Unemployment rates falling steadily**
- **Consumer confidence rebounded**
- **Sales activity rebounded and was stronger than last year**
- **Home prices continue to climb**
- **Inventory of homes for sale remains persistently low and continues to shrink rapidly.**
- **Mortgage rates are at historic lows and are expected to remain low throughout 2020 and into 2021.**

Nelson County stands out in a number of ways:

- **Nelson County had the largest sales percentage growth in the CAAR footprint this quarter.** In the 3<sup>rd</sup> quarter, as regional sales increased 17%, Nelson County sales increased 50% - there were 165 sales, 55 more sales than a year ago.
- **Median sales price was \$237,000 in the 3<sup>rd</sup> quarter of 2020, a 7% increase from last year's 3<sup>rd</sup> quarter. Home prices have been trending up since the spring of 2019.**
- **This surge in sales and strong price growth led to the largest increase in sold dollar volume in more than 5 years, jumping up 45% from last year.**
- **Nelson County's housing market inventory has been shrinking for 5 years.** There were 104 active listings on the market at the end of Q3, less than half the number available last year.
- **Days on market dropped significantly to 104 days in Q3 2020, from 233 days in Q3 2019, more than a 50% drop.**

There are **currently only 2 new homes listed for sale in Nellysford**<sup>10</sup>:

- \$429,900 for 1,627 sq. ft., 3 bedroom/2 bath home in Stoney Creek subdivision (proposed)
- \$469,900 for 2,316 sq. ft., 4 bedroom/2 bath in Stoney Creek subdivision

The attached Comparable Market Analysis reviewed several categories of data points including but not limited to: Price, Square Feet, Price per Square Feet, Year Built,

---

<sup>9</sup> CAAR Home Sales Reports for [Q3 2020](#), [Q2 2020](#), [Q1 2020](#), and [Q4 2019](#)

<sup>10</sup> CAAR Search for Properties <https://www.mycaar.com/>

Number of Bedrooms, Number of Bathrooms, Acreage, and Views. Highlights of the analysis show sizes of homes ranged from 896 to 3,841 square feet with an average selling price per square foot of \$172 to \$234. This results in a selling price range from a low of \$145,000 to a high average of \$638,951. From an affordability perspective, using current interest rates and a term of 30 years, the annual income needed to purchase within the above price range would be \$30,000 to \$125,000 or, in simpler terms, \$15 to \$60 per hour. The variety of home sizes in the marketplace for the most part all had at least 3 bedrooms and 2.5 bathrooms. The homes reflected modern design that includes open living space variations and relatively none of the new homes had the older styles of living that included formal living rooms and dining rooms.